

'Never let a crisis go to waste': entrepreneurship in the age of coronavirus



"Never let a crisis go to waste!", People may say this when facing some sort of significant challenge, and trying to turn it to their advantage. As COVID-19 has become a global crisis, it presents enormous opportunities to some people. In fact, this crisis is no idle time for many entrepreneurs. They are among the first to offer and deliver innovative responses. If some of them act selfishly or wrongly, many others are moving swiftly and creatively to make permanent and valuable changes in the world. Their innovations, technological and otherwise, have alleviated the effects of the crisis; harnessing their best entrepreneurial impulses will help find ways out of it.

Entrepreneurship good and bad

It is true that not all entrepreneurship is good. As pointed out by [Baumol](#), some entrepreneurship is unproductive or even destructive, even in a crisis. For instance, some entrepreneurs are buying up and re-selling medical equipment at a very high mark-up. They have seen demand increase and, many would argue, extorted situations of extreme necessity to make large profits. Other unscrupulous entrepreneurs have purchased patented drugs and then greatly increased the market price. These responses to the crisis definitely raise ethical, and even legal, eyebrows.

On the opposite side, some entrepreneurs are developing products and services to ease the crisis, instead of merely taking advantage of it. Both incumbent and newly emerging commercial and social entrepreneurs are addressing the crisis in creative ways. Indeed, at any time, entrepreneurs demonstrate [three types of positive responses](#) to the opportunities they perceive: business-as-usual, pivoting, and new venture creation. Each of these responses face a different challenge: the need to scale quickly, the task of radically transforming their business model, and a lack of resources.

Business-as-usual

Some ventures such as Zoom and other digital communication platforms already have the right products and services to help others face this crisis. They are now growing quickly and need to keep pace with demand. As workers around the globe work from home, companies that offer tools for content creation, video conferencing, document sharing, task management, polling, and so on, excel.

Other ventures, both young and established, are adapting their existing offerings to meet these new circumstances. Facebook, Google and other Silicon Valley companies are expressing their entrepreneurial culture by rapidly gaining ground on Zoom by acquiring, developing and expanding rival videoconferencing services.

Pivoting

Many other entrepreneurs have been [pivoting](#). More than adapting individual products or services, they have been shifting the focus of their venture and radically changing their business model. For instance, some companies have completely pivoted their production focus: from alcoholic beverages to disinfectant products, or from normal clothing to face masks.

Some have done so out of commercial calculation, perceiving a new market or marketing opportunity. Others wish to help. This is especially visible among social entrepreneurs. For instance, "[GoodJobs.eu](#)" is a German platform that focuses on jobs with an ecological and/or social purpose; it has added a new job category and now also advertises jobs that are related to the Corona crisis.

New ventures

New ventures have also emerged from the crisis, some of them from hackathons. A hackathon (from "hacking" and "marathon") is a sprint-like collective event to find solutions to problems too big for individuals. In a crisis, "hack-a-sprint" might be a more appropriate word. In urgent times such as these, the goal is to hack the crisis with new entrepreneurial solutions as fast as possible. In particular, new platforms have emerged to connect demand and supply: customers with local restaurants and shops, people in need of care with care-givers, and artists with audiences – some including new streams of revenue.

For instance, in Germany multiple projects have emerged from a [hackathon](#) providing Corona-related information, learning and teaching tools, and local support. In the UK, Oxford University's Foundry, an entrepreneurship learning space and new venture accelerator, launched its "[COVID-19 Rapid Solutions Builder](#)" hackathon, "rapidly building, scaling and implementing new solutions to challenges that will arise as a result of the pandemic in order to build resilience for the future."

Technology at the forefront

Across these three responses, it is clear that technology has an important role, for many reasons. For example, some entrepreneurs are using 3D-printers to make medical equipment, harnessing the innovative potential of recent technologies to act swiftly and without the need for central control. As borders are closed or border crossing limited, and as demand for certain products increases across the globe, a 3D printer can be deployed locally to meet new requirements.

Also, as the COVID-19 crisis disrupts certain social practices and needs, technology can provide some substitutes. For instance, many social networking platforms – existing and novel – offer services for the elderly and quarantined. Technology helps to [overcome social and spatial constraints](#) caused by the pandemic.

A double-edged sword

Of course, there are also valid critiques of this sort of response to a crisis. A strongly entrepreneurial mentality can lead to what writer [Evgeny Morozov](#) calls "solutionism": a belief that technology, innovation and entrepreneurship together will solve problems and save the world. This belief neglects questions of power and politics, and of negative consequences. Entrepreneurial ventures are privately owned, and if they address social concerns they generally do so without the legitimization of democratic processes. Even when entrepreneurs do build their business on values, questions persist: whose values? and for whom? There is a real risk is that entrepreneurs crowd out social and state initiatives, and leave questions of authority and accountability unaddressed.

It is also important to note that entrepreneurs do not act in a vacuum. In fact, the infrastructure they use to found their ventures is still often publicly funded. Many responses, particularly in times of crisis, are actually responses that "orchestrate" different players, both public and private – either directly through multi-stakeholder partnerships, or indirectly through creating market and political infrastructures. Even in a crisis such as COVID-19, it is worth remembering how interconnected entrepreneurs are as they develop their ventures, commercial and social alike, so as to hold them up to scrutiny if necessary.

"Never let a crisis go to waste" is good advice, as long as the consequences of that opportunism are broadly beneficial and accountable.



Notes:

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